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RELEASE:
June 1, 2007
6am EST

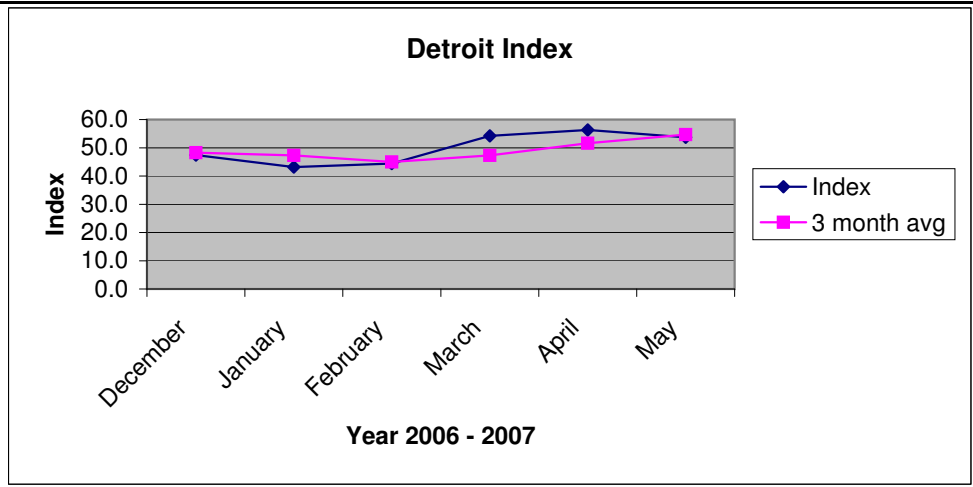
THE DETROIT REPORT

2007
May

National Association of Purchasing Management - Metro Detroit

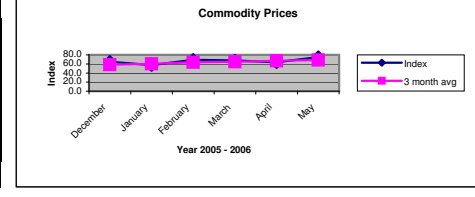
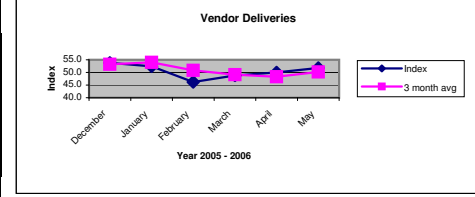
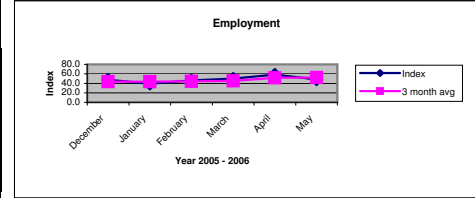
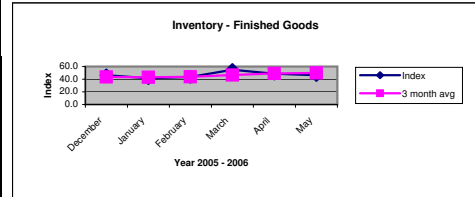
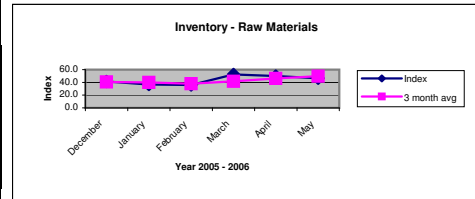
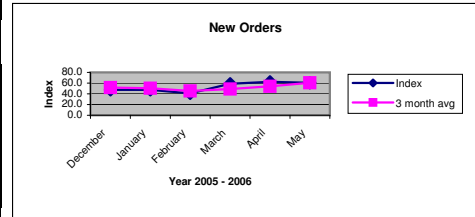
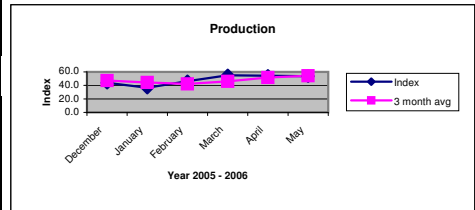
The NAPM – Metro Detroit Purchasing Managers Index 53.7

Detroit Index: May reports reveal that the NAPM-DM composite index fell 2.6 points to 53.7.
Employment: Employment declines to 48.2.
Prices: Prices continue to rise, and are up 11.1 points, to 75.0 in May.
Items up or down in price: After showing some moderation in the rate of increase between February and April, prices surged to their highest level since July 2006. The May 2007 price index for the Detroit Metro PMI rose 11.1 point from April to 75.0 in May. Price increases were reported for resins, aluminum, copper, nickel, brass, steel, copy paper, energy, oils, lubricants, diesel fuel, and electronic components for industrial use. Shortages were noted for stainless steel in some grades. One respondent noted that all precision type materials from Germany were slow in arriving, with lead times up by 50%.
Economic Issues: During May the respondent's remain cautiously optimistic about the national and Michigan economic outlook. One respondent noted that business in the 1st quarter of 2007 had been slower than usual. Another noted that they had a number of quotes out and were confident that many would be received. Slow automobile sales continue to have an adverse impact on most suppliers. One respondent noted that the rising fuel prices were continuing to having an adverse effect on their costs. However, on the positive side, it was noted that suppliers of gasoline engines are now looking at providing diesel engine alternatives to pickup trucks and small vehicles, which will have a positive impact on future sales volume. Another respondent noted that the rising fuel costs were having a broad impact on every facet of the Michigan economy. The respondent noted that the inability of the legislature to resolve the problem may lead to future talent and human resource out-migration. When asked about their six month forward looking expectations, 56 percent responded that they believe that economic conditions would be about the same (this is down from 58 percent in April). Twenty-six percent were of the opinion that conditions would be more stable 6 months ahead (this is up 18 percentage points from April). Only 19 percent were of the opinion that conditions would be less stable (down 14 percentage points from April). It appears that there is a shift in expectations toward a more stable economic environment looking six months into the future.



Next Release
2 July 2007

Detroit Index		2006	2007				
		December	January	February	March	April	May
Index		47.4	43.2	44.4	54.2	56.3	53.7
Index	3 month average	48.3	47.3	45.0	47.3	51.6	54.7
Production		2006	2007				
		December	January	February	March	April	May
	Higher	30.0	17.1	28.2	37.5	30.6	32.1
	Same	27.5	39.0	35.9	35.0	47.2	42.9
	Lower	42.5	43.9	35.9	27.5	22.2	25.0
Index		43.8	36.6	46.2	55.0	54.2	53.6
Index	3 month average	47.3	44.4	42.2	45.9	51.8	54.3
Production expands in May							
New Orders		2006	2007				
		December	January	February	March	April	May
	Higher	30.0	34.2	23.1	40.0	44.4	46.4
	Same	35.0	26.8	35.9	37.5	36.1	28.6
	Lower	35.0	39.0	41.0	22.5	19.5	25.0
Index		47.5	47.6	41.0	58.8	62.5	60.7
Index	3 month average	51.5	50.3	45.4	49.1	54.1	60.7
New orders increase in May							
Inventory - Raw Materials		2006	2007				
		December	January	February	March	April	May
	Higher	25.0	19.5	15.4	27.5	22.2	28.6
	Same	32.5	34.2	41.0	50.0	55.6	35.7
	Lower	42.5	46.3	43.6	22.5	22.2	35.7
Index		41.3	36.6	35.9	52.5	50.0	46.4
Index	3 month average	40.7	39.8	37.9	41.7	46.1	49.6
Raw materials decline in May							
Inventory - Finished Goods		2006	2007				
		December	January	February	March	April	May
	Higher	20.0	14.6	20.5	25.0	16.7	14.3
	Same	52.5	53.7	46.2	60.0	63.9	64.3
	Lower	27.5	31.7	33.3	15.0	19.4	21.4
Index		46.3	41.5	43.6	55.0	48.6	46.4
Index	3 month average	43.6	43.1	43.8	46.7	49.1	50.0
Finished goods inventories drop in May							
Employment		2006	2007				
		December	January	February	March	April	May
	Higher	20.0	14.6	23.1	37.5	25.0	21.4
	Same	55.0	48.8	46.2	35.0	66.7	53.6
	Lower	25.0	36.6	30.8	27.5	8.3	25.0
Index		47.5	39.0	46.2	50.0	58.3	48.2
Index	3 month average	43.4	43.6	44.2	45.1	51.5	52.2
Employment drops in May							
Vendor Deliveries		2006	2007				
		December	January	February	March	April	May
	Faster	10.0	7.3	18.0	15.0	11.1	7.1
	Same	72.5	80.5	71.8	72.5	77.9	82.1
	Slower	17.5	12.2	10.3	12.5	11.1	10.7
Index		53.8	52.4	46.2	48.8	50.0	51.8
Index	3 month average	53.2	54.0	50.8	49.1	48.3	50.2
Deliveries slower in May							
Commodity Prices		2006	2007				
		December	January	February	March	April	May
	Higher	40.0	22.0	38.5	37.5	27.8	50.0
	Same	50.0	70.7	61.5	60.0	72.2	50.0
	Lower	10.0	7.3	0.0	2.5	0.0	0.0
Index		65.0	57.3	69.2	67.5	63.9	75.0
Index	3 month average	58.6	60.3	63.8	64.7	66.9	68.8
Commodity prices surge in May							



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